

INSIGHTS



California
Tourism

In This Issue: Facts at Your Fingertips • Spring Through Fall Travel Forecast

May is “California Travel and Tourism Month”



David Young-Wolff

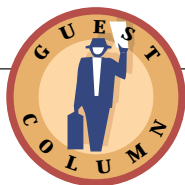
In recognition of travel and tourism’s tremendous economic, social and cultural impact on California, Governor Gray Davis has proclaimed May 2002 as “California Travel and Tourism Month.”

The designation coincides with the observance of National Tourism Week, May 4-12, 2002, and National Traveler Appreciation Day on May 4.

This year marks the 19th annual celebration of National Tourism Week—a time to not only recognize the economic importance of the industry, but to honor the traveler who celebrates the spirit,

adventure, joy and discovery of travel. National Tourism Week is sponsored by Tourism Works for America, Travel Industry Association of America.

In California, travel and tourism expenditures amount to \$75.4 billion annually, provide employment for 1.1 million Californians, and generate \$4.8 billion in tax revenue. The Golden State is also the top U.S. travel destination for both domestic and international visitors, accounting for 295 million visitors annually. ★



It’s the Summer to See California — By RV

by David J. Humphreys
President, Recreation Vehicle Industry Association

With the summer vacation season fast approaching, travel marketers may be wondering, “Who will come?”

By all accounts, domestic road travel is dominating U.S. tourism. Evidence is mounting that, buoyed by today’s travel climate, recreation vehicle (RV) travelers will be increasing in numbers this season, especially in California.

RV travel offers the perfect choice for families wanting to reconnect with America’s great outdoors and spend



NBC Today travel editor Peter Greenberg declared RVs “an affordable and attractive alternative for a lot of families.”

Humphrey Taylor, chairman of the Harris Poll, best described RVing’s timely appeal. He told the media: “RVs answer many needs voiced by today’s consumers. RVs provide safe and secure recreation, put families in control of their travel and promote traditional family values.”

Clearly evident is a societal shift toward attributes associated with RV travel: freedom, control, family, security, and simplicity.

Climate of Opportunity

Collectively, these trends suggest a climate of opportunity—for our business, and yours. For California, it’s an ideal time to promote and cater to the RV market.

quality time together. Because RVs offer the ultimate in freedom, flexibility and control, RV travel is growing in popularity. In the aftermath of September 11, RVing’s advantages are even more apparent and attractive.

In fact, the news media is widely covering RVs as the travel mode of choice for family vacations. *Bloomberg TV* recently dubbed 2002 the “Year of the RV.” And

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by Caroline Beteta, Executive Director
California Travel and Tourism Commission

Seizing Every Opportunity

Uncommonly Known Marketing Initiatives Within the Recently Published 2001 Annual Report

Every year, California Tourism is required by state law to submit an annual report and marketing plan to the California Legislature on or before March 1. This year's sixty-plus page document details all the marketing initiatives developed in 2001, as well as other related activities.

The final report revealed some fascinating activities conducted throughout the year that rarely get exposure due to either limited meeting time or space in written materials. So for those of you who can't afford the time or the energy to plow through this half-inch thick document, I hereby submit a topline of miscellaneous, yet effective, activities conducted by California Tourism this past year that most likely won't be publicly communicated except for this article.

Japan's Largest Ski Resort

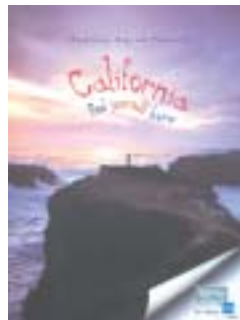
For example, did you know that the California Tourism public relations office in Japan (Youth Planning Center) negotiated a special promotion with Naeba, Japan's largest ski resort, whereby California Tourism's logo and Web site address are on all the instructors' uniforms and in other promotional materials? Read on!

American Express Travel Planner

In extending the advertising campaign reach, California Tourism created a 7-to-1 leveraged investment by partnering with American Express to create a California Travel Planner. The 40-plus page piece,



valued at \$1.6 million, had a 1.2 million circulation, and generated over 50,000 responses to advertisers. As a bonus, California received an eight-page unit in the international inbound magazine *Focus on America*, with a circulation of 1 million in international markets.



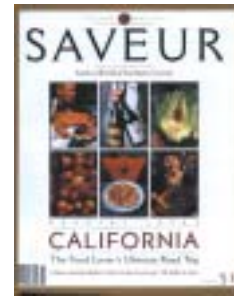
More on "Adventures in Wild California" IMAX Film

Audiences tested in five cities outside of California rated the film an 8.33 on a scale of 1-10, which ranks it at a level with the best IMAX films ever produced, including Everest.

Interesting film launches and related promotions included the following activities. In Sydney and Melbourne, sky surfer Troy Hartman did a live jump and yielded more than 20 interviews throughout the country, including the nationally broadcast *Today* show. In London, with the assistance of Black Diamond promotions, the film became omnipresent during launch week. *Virgin.net* did a screening and promotion. Capitol Gold, one of London's most popular radio stations, ran 70 30-second trailers followed by live reads and giveaways. One of Britain's biggest national newspapers ran a very successful high-profile 2-for-1 reader offer. Seventy thousand leaflets were produced and

distributed to targeted audiences via the British Film Institute, as well as high profile promotion on site accompanied by the premiere and "Taste of California" media luncheon conducted in partnership with the nearby Savoy.

Just in — people throughout the nation are now paying approximately \$10 to purchase the DVD/video version that is being distributed in thousands of retail outlets and on the Web at such sites as Amazon.com



Saveur

As a result of the New York media blitz conducted last year by California Tourism, *Saveur* magazine devoted to an entire edition to California, entitled "California: The

Food Lover's Ultimate Road Trip." *Saveur* is published eight times a year with a circulation of 400,000. The advertising equivalency value for this piece alone was \$1.9 million.

International Trade Shows, Exhibition and Related Promotions

California Tourism covered the globe — sometimes five times over in 2001 — participating in and organizing trade and consumer events in the following cities and countries: Reiseliv, Norway; Matka, Finland; Vakantiebeurs, Holland; Geneva, Switzerland (2X); Dublin, Ireland; DER Roadshow (11 German Cities); Mexico City (3X) and Monterrey, Mexico; Sydney (6X); London (4X); Berlin; Copenhagen; Sao Paulo, Brazil (5X); Buenos Aires, Argentina (4X); Guadalajara, Mexico; Curitiba and Porto Alegre, Brazil; Rio de Janeiro (2X); Victoria, Vancouver, and Kelowna, Canada; Tokyo (3X); Uruguay; Paraguay; New Zealand (2X); Frankfurt, Germany; and Melbourne (3X) and Brisbane (2X), Australia.

California Welcome Centers

California's ten official Welcome Centers now receive over 600,000 guests annually. The CWC alliances grew in 2001 to include being featured on General Motors "OnStar" global positioning, the California Automobile Association, American Express, language line, Certified Folder Display, California State Parks, and many other outlets. Check them out!



Incentive and Meeting Facility Web Site.

This new site, california4meetings.com, will be industry supported and provide users with a unique, customized searchable database for both typical and atypical venues. It is expected to be fully operational this year.

German Language Visitor's Guide

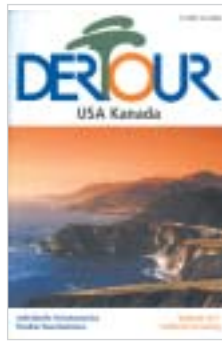


The first-ever German language visitor's guide was produced and released in 2001. A total of 80,000 copies of the 28-page 4-color piece are being distributed to targeted audiences throughout Germany.

United Vacations London Underground Tube Promotion

California Tourism partnered with United Vacations to promote packages to California via the London Underground tube. California images were placed on a series of panels with a call to action to United Vacations during the month of March.

DER Winter Catalog (Austria, Germany, Switzerland)



10,000 travel agencies. The cover photo is featured in all of DER's newspaper advertising, and is prominently positioned on a poster and window display in travel agencies throughout the country.

Now that California Tourism has hopefully caught your attention, you might wish to learn more about getting involved in our programs and what else the organization is doing to promote California. For a copy of our annual report please refer to the order form on page 17 of this issue of *Insights*. ★

DER, Germany's largest outbound operator to the U.S., secured California's support by featuring Hwy. 1 for the cover of the catalog (a first for California to be on the cover). Seven hundred thousand copies were distributed to



Activity levels at California Tourism's Web site (www.visitcalifornia.com) were nothing short of phenomenal for the months of December, January and February!

First, Web site hits* for December — historically lower than November — were slightly up from the previous month by 0.3%. Then came January's whopping 52% increase over December with nearly 6.6 million hits — the highest activity level ever recorded for the California Tourism Web site. Though February's activity was slightly down from January, the site still topped 6 million hits. This rise in activity levels may be due in part to the site's redesign, and to aggressive in-state advertising and promotional programs.

Following are points of interest for the period including December 2001, January and February 2002.

☀ The site hosted a total of 621,668 visitor sessions**. Of these sessions, 301,959 were unique visitors***.

☀ From the left-hand navigation, the following categories were accessed most frequently by users (most frequent to least): Regions, Activities & Attractions, Maps & Getting Around, Business Center, Portrait of California, and Places to Stay.

☀ The top search engines to refer to California Tourism's site are: Microsoft Network, Google, Yahoo, Ask Jeeves, Lycos and AltaVista.

YAPPARI California

A contest designed to boost travel from Japan to California was created by California Tourism and industry partners, and held during February. Called YAPPARI (After all, it's California), the promotion garnered an astounding 10,000 entries in its first week.

YAPPARI California drew more than 40,000 total entries, offering free four-night, five-day trips to the Golden State for 100 lucky winners (50 couples) chosen by a drawing of contestants who correctly replied to a quiz. Winners were announced on March 10 and received trips to San Francisco, Los Angeles, Anaheim/Orange County or San Diego, April 17-21, 2002.

The idea behind the promotion was to publicize to the Japanese consumer that things are back to normal, and that they will feel comfortable once again in California.

The campaign received wide exposure with a distribution of 200,000 flyers through JATA's 1,300 member travel agents, as well as on home page Web sites of participating partners. Other partners included American Airlines, All Nippon Airways, Northwest Airlines and United Airlines; Hilton, Hyatt, Marriott, Starwood and Seven-Continent hotels; Disneyland and Universal Studios Hollywood; Hertz and Dollar Rent-A-Car Companies; and the San Francisco Convention & Visitors Bureau, Los Angeles Convention & Visitors Bureau, Anaheim/Orange County Visitor & Convention Bureau, and San Diego Convention & Visitors Bureau.

Japan is California's number one overseas market, accounting for more than 1 million visitors to the Golden State annually. ★

* A hit is a count of all requests including HTML pages, and each image within that page.

** A visitor session is the number of distinct people who visit the site. This is estimated by grouping together all hits from one Internet provider address, with no more than 30 minutes between each hit, into one user session.

*** Unique visitors are counted by using the visitor's IP address, domain name or cookie.



March 2002 Marketing Committee and Commission Meetings

The Marketing Committee gathered in Anaheim on March 13, 2002 for a full-day meeting. On March 14, the California Travel and Tourism Commission (CTTC) Executive Committee met, followed by an all-day meeting of the Commission. Following are the key highlights of these meetings:

- **Review of 2001/2002 Marketing Plan and Budget:** Marketing Committee and Commission members reviewed changes made to the marketing plan budget since the last meeting. A decision was made to have the advertising agency and staff develop a proposed plan for \$900,000 to target out-of-state, drive markets. This plan will be presented to the Advertising Committee. A decision will then be made on whether it is most effective to use the funding in spring/summer 2002 or to hold and carry over that funding to augment the spring 2003 campaign.
- **In-State Advertising Campaign:** A review was provided of California Tourism's fall 2001 through winter 2002 in-state advertising campaign. This in-state campaign resulted from the shift of funds from the spring 2002 advertising campaign, in response to September 11 and the economic slowdown. Three television spots were played. The third spot, "We're Californians," which features celebrities and encourages Californians to travel in-state and explore the wonders of their own backyard, ran through March 2002. Eight complementary radio spots that included 15-second retail tags were also part of this campaign. Additionally, 13 outdoor boards were produced with the key message of getting people moving in their cars to nearby California destinations. A tremendous amount of media bonus weight was negotiated and extended the run of TV, radio and billboard components. Preliminary research indicates very high awareness of the in-state advertising.
- **In-State Public Relations Campaign:** An update was provided on the "California Finds" public relations component that complements the advertising campaign. More than 500 travel companies



Pictured at the February 12 CTTC-sponsored luncheon at COPIA during California Travel Market (CTM) are: CTM Co-Chair and CTTC Commissioner, Mike Gallagher; CTM Co-Chair and CTTC Executive Director, Caroline Beteta; CalTIA President and CEO, Terri Taylor-Solorio; California Technology, Trade and Commerce Agency Secretary and CTTC Chair, Lon Hatamiya; and San Francisco CVB President and CEO and CTTC Commissioner, John Marks. More than 180 travel trade buyers and press attended CTM to learn more about and sign contracts for California travel products.

submitted over 700 value-driven packages, which are available on the [visitcalifornia.com](http://www.visitcalifornia.com) Web site. From December 2001– February 2002, 31,000 unique visitors have logged 50,000 visitor sessions on the site, and at the time of the meeting, there were over 5,000 average visitor sessions per week. The "California Finds" values have been promoted to over 11,000 travel agents and 50,000 California residents expressing prior travel interest. Given the program's success, it will be extended through the spring and summer of 2002 and interested companies can register online.

- **In-State Media Enhancement:** An update was provided on the media enhancement program which included 11 newspaper advertorials in Northern and Southern California and featured hundreds of travel companies statewide. With an initial investment of \$565,000, an equivalent media value of \$4 million was achieved.
- **Total In-State Campaign Leveraging:** For the entire in-state campaign—advertising, public relations and media enhancement—\$5 million was leveraged into \$20 million, a 4-to-1 return on investment.
- **California, Find Yourself Here:** As an overall branding strategy, California Tourism is now incorporating the line "California, Find Yourself Here" into all marketing and communication pieces. The copy serves as both a literal and a spiritual "call-to-action."
- **"Best of California" Television Series:** One rough-cut segment of this new TV series that features *Sunset* magazine as a major partner was previewed. Segments began airing at the end of March in Sacramento, San Francisco/San Jose, Fresno, Los Angeles and San Diego. Each segment features a prominent California travel theme (Movie California, Icons and Landmarks, Outdoor Escapes, Central Coast, Great Wine and Food Escapes, etc.) and will reach approximately 800,000 California households per week. The total series will deliver an equivalent media value of more than \$3 million. A new *California Driving Tours* guide and radio campaign will also be produced to complement the television series. Major anchor sponsors include: Amtrak, ARCO and Honda Motorcycles. A detailed schedule of airtimes can be found at www.visitcalifornia.com.
- **"Adventures in Wild California" IMAX Film and Promotional Activities:** A presentation was made on the California IMAX film, which has played in five

languages, in 65 theaters on five continents, and has been seen by over 4 million people. "Taste of California" events and IMAX premieres will continue to roll out the film in Washington D.C., New York and Madrid in June. The Travel Channel, three-part, one-hour series that was developed with extra footage from the film, continues to run in North America (viewed by an estimated 5 million people) and is now licensed in 140 countries. The series will generate more than 500 million worldwide gross impressions on California.

- **The California Channel – "The Next Big Idea":** K2 Communications presented a new concept for a California Travel Channel, an interactive television travel site that would realize full-scale launch in 2005. The channel would begin as a Web-based program and would eventually allow consumers to book travel products over their television sets. The Marketing Committee and Commission approved the project with \$500,000 in seed funding, and established a committee to guide development and funding issues. The committee will provide an update on the project at the Marketing and Commission meetings in San Francisco, July 17-18.
- **Cooperative Marketing Activities:** Updates were provided on the following cooperative programs:
 - **Golf California:** New program with interested golf entities currently meeting to develop a cooperative program that will begin with an Internet database.
 - **Shop California:** New Web site (shopcalifornia.org) is in final development and will provide listings for retailers statewide. The group continues to participate at travel trade shows (WTM, ITB, Pow Wow, La Cumbre) and in sales missions to Mexico and New York.
 - **Dine California:** The Dine California Web site, linked to visitcalifornia.com, has received more than 1.2 million visits in its first four months. Enrollment in the program is free for any California restaurant.

- **Cultural Tourism:** The Cultural Tourism Coalition is developing a print advertising campaign and new Web site.
- **The Bed & Breakfast Virtual Tour Program:** Currently, 290 B&B's are enrolled with 360-degree virtual tours.

- **Fun Spots:** The 2002-2003 campaign is projected to distribute 4.8 million cards in California and the 10 Western states via: the *California Visitor's Guide/Map*, Mervyn's, *People* and *Sunset* magazines, and a new Web site.

- **Wild Vacations in California:** Details on the 2002 program can be found on page 18 of this issue of *Insights*.

• Other Marketing Activities and New Business:

- **Indian Gaming:** A total of 120 surveys were distributed to Indian gaming establishments in California to determine their level of interest in participating in California Tourism's marketing programs. Only a small number responded. The Commission therefore created a subcommittee to study this issue further, and report any recommendations made at the July meeting.
- **2002-2003 Cooperative Brochure:** A new brochure, published in March, will include a wealth of partnership opportunities for tourism businesses statewide.
- **Outreach:** Starting in spring 2002, a team of field representatives will be meeting one-on-one with tourism businesses statewide to communicate California Tourism's marketing programs and cooperative opportunities. For the name of your representative, contact Jennifer Jasper, CTTC Deputy Director of Marketing and Industry Relations, (916) 447-0981.

- **California Conference on Tourism:** The 2002 conference took place in Sacramento, April 8-11.

- **Review of Financial and Marketing Activity Reports:** The Commission reviewed regular reports including: monthly financial statements, an update on assessment funds collected, and interim activity reports from CTTC and California Tourism staff.

- **Approval of 2002/2003 Marketing Plan:** The plan was approved at the end of the meetings, and will be posted on visitcalifornia.com for public comment. An overall direction was given to allocate any additional funds that might arise during the year to advertising.

Assessment Revenues

By March 1, 2002, paid assessments for phase one of the 2001/2002 period totaled more than \$3.5 million.

Mailing for the second phase of the 2001-2002 assessment occurred on February 4 and 5, 2002, with approximately 20 percent of the mailing going to new, potentially assessable businesses.

CTTC Educational Presentations

The CTTC recently delivered educational presentations to the following groups: California Recreation Roundtable Summit in Sacramento; Shop America Conference in Los Angeles; South Shore Tourism Conference in Lake Tahoe; California Travel Market in Napa; Anaheim/Orange County Hotel & Motel Association in Anaheim; Sacramento Rotary; and a variety of convention and visitor bureau's and their members across the state. Presentation topics included: the economic impact of tourism and the need for a California Tourism office; the history of the California Tourism Marketing Referendum (CTMR); the CTMR's subsequent impact and boost to the budget; marketing shifts in response to September 11 and the economic slowdown; a highlight of 2001/2002 Marketing Programs, with emphasis on the advertising campaign and "Adventures in Wild California" IMAX film activities; urban and rural tourism promotion; and cooperative opportunities to partner with the CTTC and California Tourism.

CTTC educational presentations, in partnership with tourism-related associations and CVB's across the state, are conducted on an ongoing basis. To discover how to secure a presentation for your area or organization, or to receive more information about the CTTC's marketing programs, please call (415) 332-4450. ★



“California: Find Yourself Here” Update

The *California: Find Yourself Here* publicity campaign, instituted in October by California Tourism, is continuing to build momentum. Executed by The Fontayne Group of Santa Monica, the campaign includes research, a special offering of package discounts on California Tourism's Web site, e-mail campaigns to travel agents and select consumers, B-roll footage, press releases and media outreach.

The popular *California Finds* feature on California Tourism's Web site — offering Golden State and attractions and packages at discounts of at least 20 percent — has been extended due to its popularity. The success of the program has been measured with Web page views, editorial coverage and positive feedback from participating California companies. In the first wave, more than 700 value packages were offered. Originally intended to expire on

March 30, 2002, the program has now been extended through Labor Day. The “Finds” section of the Web site (www.visitcalifornia.com) now averages 5,000 visitors per week.

A special e-mail campaign promoting *California Finds* was also implemented targeting U.S. travel agents and select California residents with expressed interest in topics such as travel, getaways, family travel, vacation spots and travel values.

News releases, story placements, interviews and media outreach to both California and other major media during November, December and January has resulted in a minimum of \$150,000 value in coverage of *California Finds* and other California Tourism programs. Other promotional activities such as news releases, and development of feature materials and video footage are on tap for spring 2002. ★

California With The Morning Coffee

California Tourism recently sponsored a promotion in conjunction with Coffee Time—a coffee shop chain with 400 stores in Ontario, Canada. The “Peel One to Win” campaign offered chances for participants to win one of four exciting trips to the Golden State.

The contest, active through April 2002, offers promotional exposure on 10 million drink cups, in store point-of-purchase displays, a four week \$400,000 television campaign, and a four week \$250,000 radio campaign. California trips are exclusively promoted, and the coveted prize trips include a four-night, five-day stay in Los Angeles, San Diego or San Francisco, as well as car rental and admission to area attractions.

Canada is California's third largest international market with more than 1 million visitors in 2000. ★

L.A. Times Travel Show a Success

With a new focus on the drive market, Californians were encouraged by California Tourism staff to rediscover the Golden State as a travel destination at this year's *Los Angeles Times Travel Show*. The two-day show, which took place February 16 and 17 in Long Beach, was attended by 13,000 consumers and more than 800 travel agents. More than 70 percent of consumers attending reported they attended the show to gather information for a specific trip they are planning to take within the next year.

After a two-year absence, California's return to the show proved to be quite productive. Within the first two hours of the show opening, 100 *California Visitor's Guides* and 1,250 *California Map Handbooks* were distributed. In total, the travel show resulted in 72 requests from travel agents and 760 requests from consumers for the Official State Travel Packet to be sent by mail. These packets include the *California Visitor's Guide & Travel Planner*, *Official State Map*, *California Celebrations* and *California Driving Tours guide*. ★

Ready for Pow Wow

Ten California Tourism representatives, including international office staff, will descend on New Orleans May 25-29, 2002, for the Travel Industry Association of America's 33rd annual International Pow Wow. Approximately 220 California companies are expected to attend, giving the Golden State an impressive presence in Louisiana.

Pow Wow is the premier international marketplace for top international tour producers and suppliers — as well as foreign and domestic press — to come together and conduct Visit USA business. The five-day event provides a “one stop shopping” concept of packaging U.S. travel, and will include more than 5,700 delegates from all over the globe for five days of intensive business meetings and educational



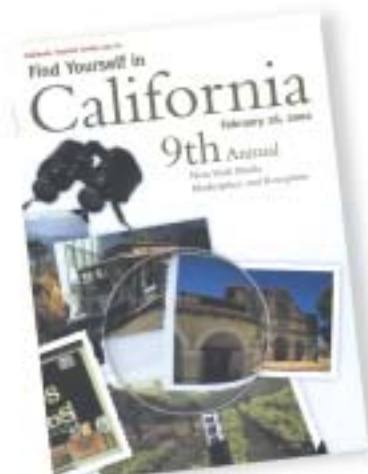
sessions. Business generated by the event is expected to generate \$3 billion in future U.S. travel.

Pow Wow 2003 will be held in St Louis, while Los Angeles will host the event in 2004. ★

2002 New York Press Event

New York travel press found themselves immersed in California story ideas at the ninth annual California Tourism press reception and marketplace, February 26, 2002. Forty-five delegates representing 36 destinations, hotels and attractions participated in the *Find Yourself in*

California event in midtown Manhattan. In attendance were 95 journalists from key media outlets such as: *Travel and Leisure*, *Endless Vacation*, *National Geographic Adventure*, *InStyle*, *Fitness*, *Martha Stewart Living*, *Arthur Frommer's Budget Travel*, and *Fodor's Travel Guides*. ★



Audrey Eig, Eliot Sekuler and E.T., of Universal Studios Hollywood, offer the New York press "out of this world" story ideas.



Six Flags California's Amy Means updates a member of the press on all things new in the Magic Mountain thrill ride arena.



New York Hospitals Enjoy California "Bear Hug"

A collection of cheerful plush animals, building blocks and colorful stickers from California attractions brought smiles to the faces of children at three New York hospitals during California Tourism's recent visit to Manhattan, February 25-26, 2002.

Designed to bring joy to those in need while demonstrating the giving nature of California's tourism industry, *California Bear Hug* — a charitable program — made its debut during the visit to New York. California Tourism collected more than 120 plush animals and toys from nine California theme parks and attractions, and donated them to the New York Foundling Hospital, New York Weill Cornell Medical Center, and Harlem Hospital of Columbia University in New York City.



California attractions responded generously to the *California Bear Hug* program with a mountain of donations. Alex Beteta (L) joins mom, Caroline Beteta (R), executive director of the California Travel and Tourism Commission, to prepare the donations for delivery.

Participating attractions included Disneyland Resorts, Knott's Berry Farm, LEGOLAND, Monterey Bay Aquarium, Paramount's Great America, San Diego Zoo, Six Flags Magic Mountain, Six Flags Marine World, and Universal Studios Hollywood. In addition, Mrs. Grossman's Sticker Factory sent along more than 1,000 colorful stickers to brighten kids' days with artistic endeavors.

The program name *California Bear Hug* was chosen because it conveys a gesture of friendship and affection, and represents the official State animal — the grizzly bear. A California Bear Hug logo was created by San Jose designer Darrell Tang. ★



Following is the latest news from California Tourism's travel trade and public relations representatives in Australia, Brazil, Germany, Japan, Mexico and the United Kingdom.

Australia

From Sydney, representative Leeanne Dyer reports that consumer spending during the January holidays was poor, but the Australian dollar has remained stable. Economists advise that further interest rate cuts are unlikely, and if there is any move on the interest rate front, it will be upward.

Dyer believes approximately 23 percent of travel agents have closed for business as a result of September's events, the collapse of HIH Insurance, the demise of Ansett and Traveland, and generally hard economic conditions. A turnaround is expected by early summer. Qantas Airlines reported a downturn of 42 percent in profit for the six months ending December 31 despite its monopoly in the Australian market. But it did make a profit of more than \$150 million — a performance that would be envied by most airlines.

On a positive note, agents are saying business has picked up in 2002 for all destinations, and travelers are once again asking for the U.S. Air New Zealand Airlines/Holidays has also seen double-digit growth in booking figures for January/February 2002.

Other market highlights include:

- The Jetset and NAITA retail groups have been sold to the Travelworld Group, which will be the largest retail travel group in Australia with more than 700 outlets across the country.
- Flight Center Group reported \$4 million in sales at their Sydney Expo held in mid-February. Results were higher than expected, double last year, and a very positive indicator. The activity signals late bookings are here for the year, with Europe receiving most bookings of long-haul destinations.

Brazil

Representative Newton Vieira expects a very productive year due to continuing economic stability and an upward trend of sales early in the year. The economy has

not experienced any major changes, and currency is holding strongly at 2.35 = \$1 U.S. Currency regain, positive commercial balance, and important internal social developments are just some of the good points that should lead the country to a very positive year.

Brazil's participation in this year's California Travel Market included a total of 14 delegates — nine tour operators, four journalists, and one airline representative. Vieira accompanied the group and notes that the delegation — especially in terms of press — continues to grow each year. Business, consumer, and trade newspapers, as well as a magazine group were among Brazil's participants.

In other travel news, Vieira reports that a low price package strategy seems to be the key element to return on investment for this market. With the consumer being bombarded by many different destinations and suppliers, success in sales will depend largely on communication effectiveness and creating partnerships with suppliers and key tour operators to enable higher visibility, credibility and value.

Germany

From Frankfurt, representative Martin Walter indicates the German economy slipped into a technical recession in the third quarter of 2001, but that a rise in an important index of the German business climate came in well above expectations in February. It was the fourth consecutive monthly increase, and hopes are that Germany is edging out of this recession. On other economic fronts, the Euro became available in Germany in December and went into use on January 1. The currency was greeted with a sense of excitement and the roll-out was relatively painless.

Several key wholesalers — such as Preussag, TUI and TQ3 — have all trimmed jobs due to weaker demand, the economy and the events of September 11, while Lufthansa, Thomas Cook and other leading German tour operators have pulled out of ITB 2002 as part of their current cost-cutting plans.

According to a new in-depth survey, says Martin, the German outbound travel market is expected to stagnate in 2002 and begin recovery in 2003.

Reports also indicate bookings began picking up in January and February, particularly to the U.S. and Canada after

the exposure of Olympic games. One tour operator says the Olympic games should not be underestimated in terms of drawing positive attention to the U.S. as a travel destination. Most key tour operators report increasing bookings and expect the positive trend will continue.

Growing demand for golfing holidays has prompted German tour operators to expand their product range substantially this summer. Younger Germans are turning to the sport, while new destinations both in Europe and overseas are becoming increasingly popular. A recent Lueneberg University study by Professor Edgar Kreilkamp shows up to 850,000 Germans want to play golf in the near future while 3.2 million would be interested in trying out the sport sometime. As the German golf association estimates there are currently only 370,000 active players in the country's 600 clubs, this could present a significant opportunity for new product offerings. The study also investigated the travel patterns and interests of golfers, and found the top destination on the wish list was the U.S. (30 percent) — significantly ahead of the traditional golf destination, Scotland (4 percent).

Germany public relations representative Birgitt Mainz reports 125 California-related media contacts from December through February. Highlights include assisting a crew with filming in Lake Tahoe for the television show, *Ski & Drive California*; ten print and television media from Switzerland who motorcycled from Los Angeles to San Francisco in March; N24's visit (the German version of CNN) to Los Angeles to cover the Oscars as well as produce a TV feature on golf and wellness; and Vox tours' trip to Los Angeles to create a 45-minute program with a number of themes. Media participation at California Travel Market included *FVW International*, *Touristic Aktuell*, *America Journal*, and *Geo Saison*.

Japan

Ko Ueno, our Japan representative, reports a recent survey shows a majority of travelers from Japan are ready to start traveling overseas. Fifty-four percent of respondents in a Nikkei survey responded positively to overseas travel while only 10 percent said no, they weren't ready to make the trip. The most popular destination was Italy, followed by Hawaii, the U.S. mainland, and Australia. Ueno says the "Year of Italy" — with events introducing

wine, food and culture — has been promoted heavily in Japan since last March.

News on economic fronts is that unemployment hit its worst in November at 5.5 percent with those over 45 hit hardest. Consumer prices decreased by 1.2 percent in the same month, but household expenditures increased. Expenditures for domestic travel and entertainment were up, as was the Gross Domestic Product.

Japanese Immigration, Ministry of Justice recently disclosed that the Japanese overseas travel estimate for 2001 was 16.2 million — a nine percent drop over the previous year. For 2002, JTB predicted in January that overseas travel will rise 2.7 percent with sharp increases taking place in the spring. This is in contrast to an earlier estimate by the JTB Foundation that overseas travel would likely increase by 5.1 percent in 2002, depending on what time of year bookings started upward. Complete recovery of the U.S. mainland to the previous year's level is not expected until sometime in late summer. On a positive note, major companies started relieving their ban on business trips to the U.S. in November.

Ueno says innovative ideas — such as packages featuring major league baseball games with Japanese players — are helping the West Coast stimulate interest with Japanese visitors. A recovery promotion involving drawings for free trips to California was also implemented. The promotion, titled "Yappari (After all, it's) California," will bring 100 lucky winners to the Golden State in April as well as generate positive publicity. The promotion is further detailed on page 10 of this issue of *Insights*.

From Tokyo, public relations representative Kazushi Namiki says the Japan office has handled 445 California-related media contacts from December through February. In addition, more than 300 consumer inquiries were answered regarding the "Yappari California" promotion. A contingent of nine Japanese press attended California Travel Market, and Namiki indicates that the media's interest in overseas travel has completely recovered. A number of individually organized press trips are in the works for late spring, and the value of publicity generated in the three month period exceeded \$370,000.

Mexico

Cynthia Llanos of the Mexico office reports that of the 12.1 million Mexicans traveling abroad in 2001, 11.2 million (93 percent) traveled to the U.S. These travelers spent \$1.9 billion, representing 70 percent of total spending abroad. Travel figures increased steadily in October, November and December from their low in September.

A survey on Mexican tourism preferences for the Easter 2002 holiday was done recently by the Secretariat of Tourism. Results showed that of those surveyed, only 1.7 percent were planning to travel to the U.S. Another 5.2 percent said they were planning to travel abroad to a different destination than the U.S., and 93.1 percent said they were choosing to make a domestic trip.

In economic news, Llanos says Mexico's economy in 2001 was severely affected by the economic slowdown in the U.S. The Bank of Mexico registered a 0.3 percent Gross Domestic Product (GDP) decrease, the first recession in Mexico since 1995. Despite the slowdown, says Llanos, Mexico's efforts, including anti-inflation strategies, a prudent fiscal policy, continuing foreign investment, and the stability of the current account have resulted in a good performance of Mexico's macroeconomic indicators. In 2002, a gradual recovery of Mexico's economic activity is expected. Financial analysts from the private sector forecast a real GDP growth of 1.4 percent in 2002, and of 4 percent in 2003.

The Mexican peso ended the year at 9.16 pesos per U.S. dollar, representing a nominal appreciation of 5.3 percent. This made the Mexican peso the strongest performing currency in Latin America in 2001 and one of the strongest currencies in the world against the U.S. dollar.

United Kingdom

From London, representative Andy Woodward says the UK economy continues to remain strong. The bank of England held interest rates at 4 percent for the third consecutive month, anticipating acceleration of the economy. UK housing prices are rising at their fastest rate since 1989, and the International Monetary Fund predicts that the UK economy will expand by 1.8 percent. Inflation has stayed at 1.8 percent — below the Bank of



As expected, calls to California Tourism's toll-free number and requests for visitor information packets from our Web site have both increased dramatically since last quarter. A comparison to last year during the same period is also encouraging. Orders from California Tourism's Web site for information packets were up more than 30 percent over the same months of 2000/2001.

Numbers below highlight program activities from December 2001 through February 2002.

Calls to toll free telephone number	17,989
Packets ordered on Web site	32,666
Packets sent from fulfillment house	
Domestic	35,857
Canadian	1,650
International	3,560
Trade	792
Student	5,264
Informational calls to California Tourism	980
Packets sent from California Tourism	
Domestic	280
Canadian	36
International	170
Trade	24
Student	52
E-mails to CalTour@commerce.ca.gov	1,961
Assessment calls	629
International contacts	
Australia (Consumer & Trade)	258
Brazil (Consumer & Trade)	2,125
Germany (Consumer & Trade)	1,160
Japan (Consumer & Trade)	4,756
UK (Consumer & Trade)	4,697
Division of Tourism (Trade)	6,260
Research	
Contacts	102
Reports mailed	74
Media relations inquiries	
California Tourism office	210
Overseas offices	741
California Welcome Centers (walk-ins)	
CWC, Anderson	4,704
CWC, Arcata	1,839
CWC, Barstow	11,881
CWC, Los Angeles	7,359
CWC, Merced	6,015
CWC, Oceanside	11,823
CWC, Rohnert Park	2,548
CWC, San Francisco	58,852
CWC, Santa Ana	13,760
CWC, Yucca Valley	1,756

continued on page 19



Mandarin Oriental

Guests enjoy a Five-Star experience at San Francisco's Mandarin Oriental.

California — Hollywood's Not The Only Spot For Stars

According to an Associated Press article, California lodgings and restaurants were awarded more coveted Mobile Five-Star awards than any other state when the latest designations were announced. Lodgings that earned the distinction included the Beverly Hills properties Raffles L'Ermitage, Beverly Hills Hotel, and The Peninsula; Oakhurst's Chateau du Sureau, and San Francisco's Mandarin Oriental. Dining establishments included The French Laundry in Yountville, Gary Danko in San Francisco and Ginza Sushiko in Beverly Hills.

It's a Boy!

California Tourism's Tiffany McKenzie and husband, Greg, welcomed their new baby boy, Parker Robert, on March 29, 2002. The 8 pound, 8 ounce Parker made his debut in Roseville, California, and arrived just in time to make the deadline for *Insights*. (Apparently, he already displays the deadline-consciousness of his mom!) Mother and son are doing well, and Tiffany is expected to return to the office in August.

CTTC Commissioner Mann Recipient of Leadership Award

The Travel and Tourism Marketing Association honored California Travel and Tourism Commissioner Anastasia K. Mann with a special leadership award at a luncheon February 21, 2002 in West Hollywood. Mann, known as a leader in travel and tourism management and promotion through her company, Corniche Travel, and other organizations served during her career, was distinguished both with the award itself, and by the organization naming the award in her honor. The Anastasia K. Mann Leadership Award will now be presented annually.

For The Birds

The Audubon Society recently named wildlife-rich Elkhorn Slough near Watsonville an "Important Bird Area of Global Significance." During peak migration, the area supports up to 30,000 wintering and migrating shorebirds, comprised of approximately 300 species. Elkhorn Slough is one of the largest of the coastal wetlands remaining in California. The designation is the highest level of recognition for bird habitats.



Paul Zaretsky

Great Egrets return to Elkhorn Slough every year to nest in the Monterey Pines. More than 300 species of birds make the area important on a global scale.

San Luis Obispo On a Roll

The accolades have been rolling in for San Luis Obispo. In the last few months alone, the area has been singled out for three publications' "top" lists. *Self* magazine included San Luis Obispo on its list of 10 Healthiest Places For Women; *Sunset* magazine described it as one of three Best Mission Towns; and *Surfer* magazine dubbed it one of the 10 Best Surf Towns.



San Luis Obispo County VCB/Tim Olson

The Farmers' Market in San Luis Obispo is just one element that makes this community a top choice for many.

Gold Award For LACVB

Meetings & Conventions magazine has named the Los Angeles Convention & Visitors Bureau (LACVB) one of its Gold Service Award winners for 2001. Now in its 18th year, the coveted award is given to select convention & visitor bureaus that have excelled in professionalism and dedication in their service to meeting professionals. The bureau has received the award for three consecutive years. ★

Research INSIGHTS

Spring Through Fall Travel Forecast



Neil Steinberg

Travel to and through California is showing signs of a slow but steady recovery. Previous forecasts of 8% to 9% decreases for spring and summer 2002 have been revised to the

-5% to -6% range for total travel through the state. Business travel continues to show the largest declines as business travelers gradually resume their patterns of frequent flying and road warrior

journeys. In a recent study cited in *Travel Industry Indicators*, "40 percent of [travel] agents noted tight corporate travel restrictions as the reason for the softness in the business sector."¹ Leisure travelers, on the other hand, cite fear of being stranded and wanting to be close to home as the reasons for reluctance to travel.

TIA's *Traveler Sentiment Index* rose in the first quarter of 2002. A significant gain in consumer interest in taking pleasure trips and the perception of the affordability of travel boosted the overall index rate up more than two points from 101.1 in the fourth quarter of 2001, to 103.7 in early 2002. The rise in the affordability index that contributed to this improvement may "be attributed to increased travel promotion and discounted prices as many travel companies strive to recover from current economic conditions."²

The volume of overnight business travel in California is expected to increase more than 16% in summer 2002 compared to the same period in 2001. It should be recalled, however, that business travel showed sharp declines in summer 2001 following the impact of the recession. An increase in overnight business travel may

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U.S. and California Travel Volume

	Sept. '01 (Millions of Person Trips)	Sept. '00	% Change
Total US Travel	161.7	197.3	-18.0%
Business	41.8	62.5	-33.1%
Leisure	119.8	134.8	-11.1%
Total Travel To and Through CA	18.8	22.2	-15.3%
Business	6.3	6.7	-6.0%
Leisure	12.6	15.5	-18.7%
Residents	17.0	19.0	-10.5%
Non-Residents	1.8	3.2	-43.8%
Total Overnight Travel To and Through CA	8.1	9.3	-12.9%
Business	2.3	2.9	-20.7%
Leisure	5.9	6.5	-9.2%
Residents	6.6	6.9	-4.3%
Non-Residents	1.5	2.4	-37.5%

Source: D.K Shifflet & Associates

Research Insights is a publication of California Tourism. Commercial information used in this bulletin does not constitute an endorsement. Articles contained in *Research Insights* may be reproduced without permission; however, acknowledgment is appreciated. Direct all inquiries and correspondence to: **Eileen Hook, Research Manager, California Tourism**, 1102 Q Street, Suite 6000, Sacramento, CA 95814 or call (916) 322-2881. Internet: www.visitcalifornia.com and click on "Business Center"

Travel Forecast

continued from page 11

signal the tendency of business travelers to maximize their travel time and combine one or more day trips into an overnight trip.

Leisure travel for both spring and summer is forecast to be below that of 2001, although the decreases are less than those previously anticipated. The double-digit increases forecast for all types of travel in fall 2002 is encouraging, but should be compared with the extremely low numbers of fall 2001 to gauge the true picture of the recovery of travel in 2002. ★

	Spring** 2002F	Spring** 2002F/01 % Chg.	Summer** 2002F	Summer** 2002F/01 % Chg.	Fall** 2002F	Fall** 2002F/01F % Chg.
Total Travel to/through CA	68.7	-5.8%	86.4	-5.4%	66.2	12.8%
Business	17.9	-8.2%	18.4	-14.7%	17.7	10.9%
Leisure	50.8	-4.7%	68.0	-2.2%	48.5	13.5%
Residents	59.6	-5.4%	75.2	-5.1%	57.6	13.2%
Non-Residents	9.0	-6.4%	11.2	-6.8%	8.6	10.4%
Average Expenditures* (ppd.)	\$78.70	2.2%	\$75.60	2.3%	\$82.80	2.1%
Total Overnight Travel to and through CA	28.0	-5.3%	38.8	-5.0%	29.1	13.3%
Business	7.5	-10.2%	8.8	16.6%	7.7	5.3%
Leisure	20.5	-3.4%	29.9	-9.6%	21.4	16.5%
Residents	21.1	-4.9%	29.3	-4.6%	21.7	13.8%
Non-Residents	6.9	-6.0%	9.5	-5.6%	7.3	11.9%
Average Expenditures* (ppd.)	\$82.20	2.0%	\$80.60	2.0%	\$89.50	1.8%

F = forecast

All volume figures are in millions of Person-Trips. Expenditures are per person per day.

* Excludes transportation expenditures.

** Spring = March, April, May; Summer = June, July, August; Fall = September, October, November.

This seasonal forecast from D.K. Shifflet & Associates reflects their enhanced seasonal forecasting method. The method, which is based on the ARIMA (Box-Jenkins) forecasting method, utilizes seasonal data from the past four years to advance the forecasting period through the present season and well into the future.

¹ Cammisa, Jr., James V., *Travel Industry Indicators*, February 28, 2002.

² Travel Industry of America, *Traveler Sentiment Index, First Quarter 2002 Results*. TIA web site, www.tia.org, March 2002.

Comparison of State Park Attendance by Areas/Type of Parks

1998/99 fiscal year
1999/00 fiscal year
2000/01 fiscal year
2001/02 fiscal year

Area/Type of Park	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
Redwood Parks	848,154	275,515	247,856	556,463
	809,676	320,184	237,064	608,802
	948,643	325,064	256,660	637,411
	979,371	302,019		
Sacramento Area State Parks	307,076	248,655	341,821	703,508
	295,312	230,845	308,328	494,902
	336,372	305,720	290,407	464,515
	311,311	208,584		
Lake Tahoe Area	504,730	82,195	45,498	172,107
	544,178	134,454	52,947	201,332
	609,886	53,337	66,977	309,146
	619,517	105,423		
Gold Country State Parks	300,835	177,301	136,413	321,963
	240,801	163,945	128,063	329,091
	235,441	158,682	133,321	326,925
	274,281	247,318		
Santa Cruz - Monterey Area	722,295	647,237	795,100	1,033,170
	1,285,717	925,278	701,805	1,091,542
	1,379,006	1,091,621	860,197	1,122,992
	677,737	826,852		
San Francisco Area	1,273,219	473,498	618,301	1,393,020
	1,471,309	622,211	702,295	1,426,563
	1,257,251	761,258	616,507	1,393,093
	1,225,941	815,182		
Southern California Beaches	5,071,911	1,331,016	1,337,536	2,876,430
	5,753,449	2,198,426	1,762,522	3,618,737
	6,249,873	2,568,349	2,522,680	5,574,456
	7,559,921	2,748,779		
Desert State Parks	97,416	213,717	324,235	188,098
	84,511	223,883	289,977	187,571
	130,052	265,020	350,809	377,076
	110,515	281,816		

Source: California State Parks

The Business of Traveling



According to the 2001 edition of *Business and Convention Travelers* by the Travel Industry Association of America (TIA), one in five (17%) U.S. adults traveled for business in the past twelve months. Overall in 2000, business travelers generated 22 percent of all domestic person-trips (219.2 million person-trips). Approximately one-quarter, or 74.8 million person trips (preliminary), of the travelers on the move in California in 2001 were business travelers. This ratio of 1 out of 4 trips within California being for business purposes has held steady for the past 5 years.

U.S. business travelers spend more per person than leisure travelers. On average, business travelers spend \$572 per trip, excluding transportation to their destination. In fact, it is estimated that travel is the third-largest expense in most corporations, ranking behind only payroll and information systems. ★

Facts at Your Fingertips



- Travel and tourism expenditures in 2001 amounted to an estimated \$75.4 billion, provided employment for 1,051,000 Californians (including employees as well as sole proprietors), and generated \$4.8 billion in tax revenue. Travel and tourism expenditures comprised an estimated 6% of California's Gross State Product in 2001.

Fast Facts 2002 is available in hard copy via the Order Form on page 17, or can be downloaded from the Business Center section of the California Tourism Web site, www.visitcalifornia.com. ★

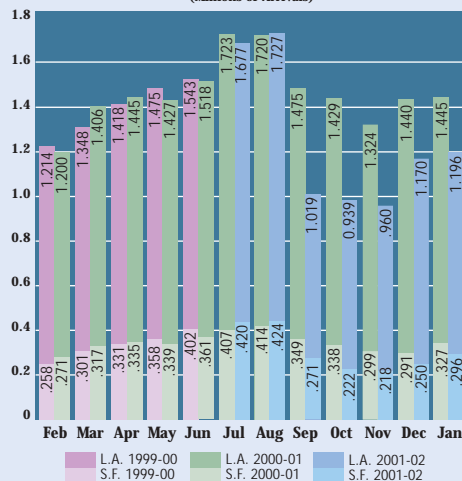
Fast Facts 2002 is now available! Containing statistics on domestic and international travel, economic impact, employment, attendance at the state's top attractions and much more, this colorful publication contains the factoids you need to explain the value of tourism both statewide and in your region. Below are just a few of the important sound bytes you'll find in *Fast Facts 2002*:

- California was the destination of an estimated 287 million domestic travelers and approximately 9 million international travelers in 2001.
- Californians themselves are the mainstay of the state's travel and tourism industry, comprising 85 percent of in-state domestic travel, or 247 million person-trips. Out-of-state visitors account for 39 million person-trips.
- California's share of the domestic travel market in 2001 was 11.1% (preliminary), making it the most visited state in America.
- California receives 22% of all overseas tourism to the United States.
- California hosts almost 5 million overseas visitors each year. The top five overseas visitor market countries are Japan, the United Kingdom, South Korea, Germany, and France.

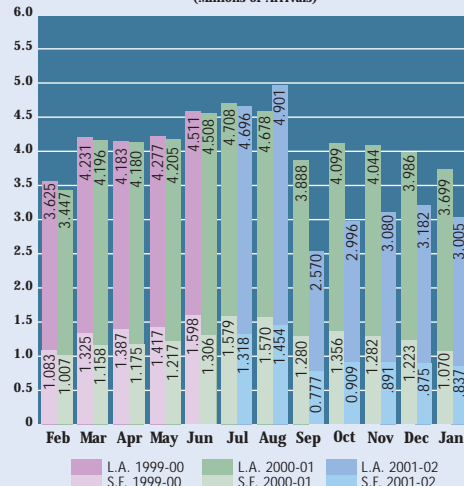


Sources: City of Los Angeles Dept. of Airports; SFO Bureau of Communications; San Diego Unified Port District Airport Operations Dept.; Oakland Airport Finance Office; Airport Finance and Administration, City of San Jose.

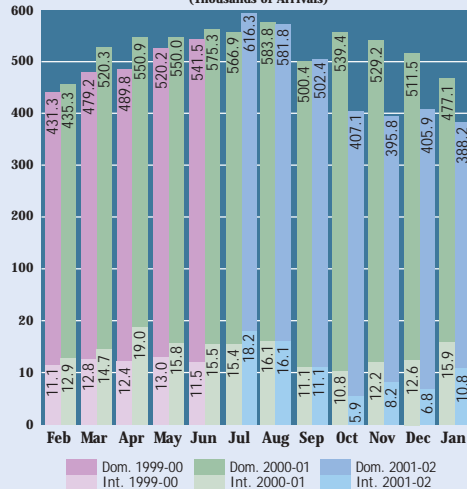
International Air Arrivals
Los Angeles - San Francisco
(Millions of Arrivals)



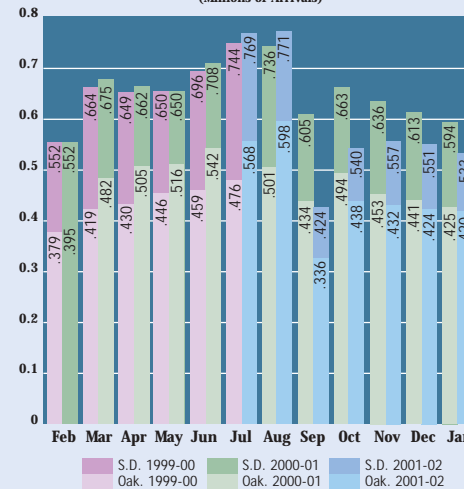
Domestic Air Arrivals
Los Angeles - San Francisco
(Millions of Arrivals)



Domestic/International Air Arrivals
San Jose
(Thousands of Arrivals)



Domestic Air Arrivals
San Diego - Oakland
(Millions of Arrivals)

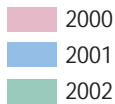




National Park Attendance

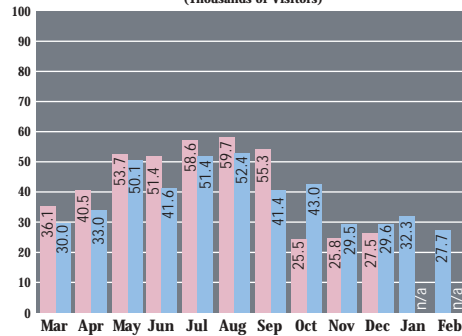
Source: National Park Service

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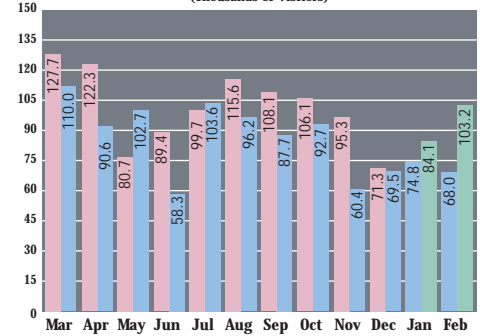
Channel Islands National Park

(Thousands of Visitors)



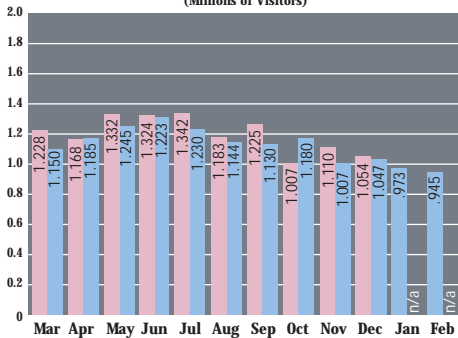
Death Valley National Park

(Thousands of Visitors)



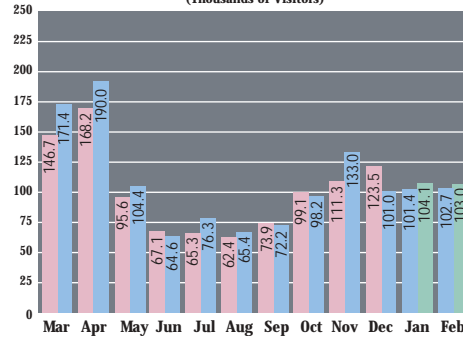
Golden Gate National Recreation Area

(Millions of Visitors)



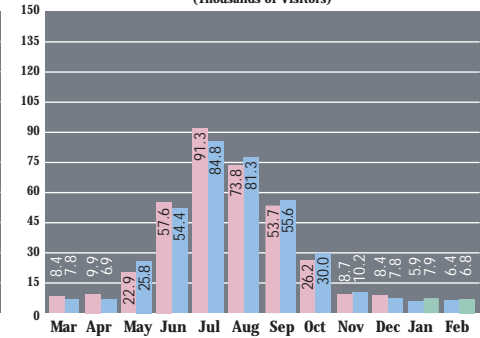
Joshua Tree National Park

(Thousands of Visitors)



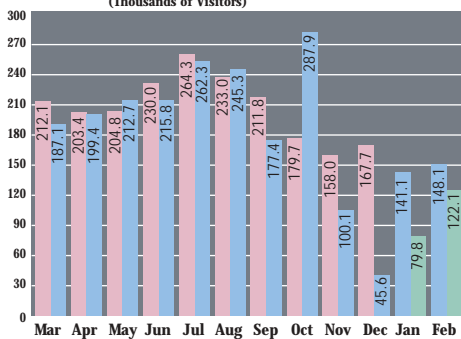
Lassen Volcanic National Park

(Thousands of Visitors)



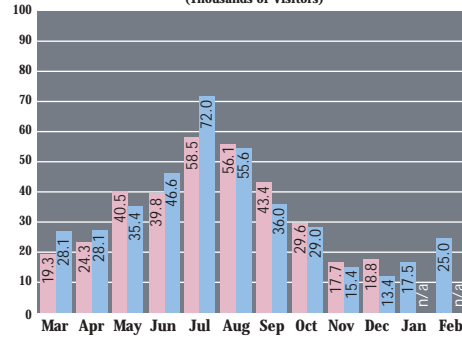
Pt. Reyes National Seashore

(Thousands of Visitors)



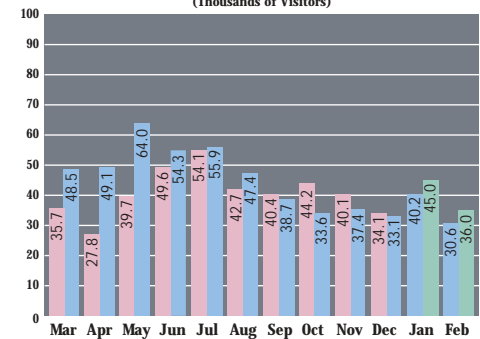
Redwood National Park

(Thousands of Visitors)



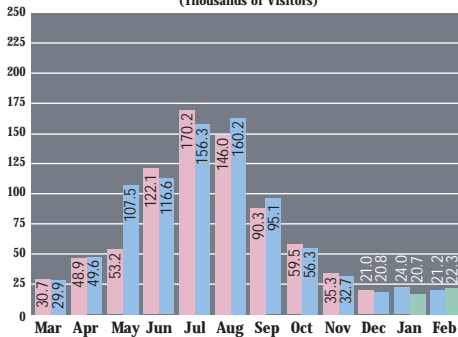
Santa Monica National Recreation Area

(Thousands of Visitors)



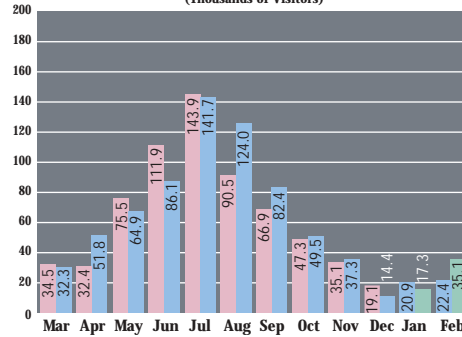
Sequoia National Park

(Thousands of Visitors)



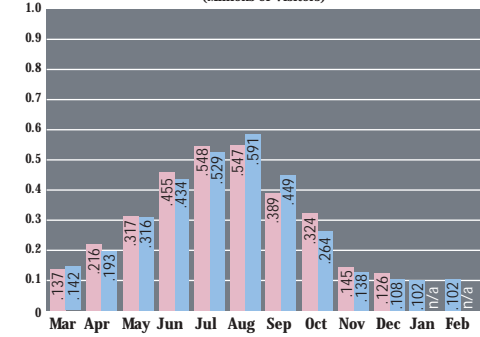
Whiskeytown-Shasta-Trinity National Recreation Area

(Thousands of Visitors)



Yosemite National Park

(Millions of Visitors)





Travel Industry Association of America

2002 International Marketing for Travel and Tourism

2002 Domestic Marketing for Travel & Tourism

These two publications comprise the proceedings from the 27th Annual TIA Marketing Outlook Forum and the third annual Advanced Outlook on International Travel to the U.S. held in October 2001. They contain the latest in-depth information on travel from the experts. Everything from the economy, to modes of travel, to all the niche markets, to the outlook for international travel to the U.S. is included.

International Marketing is \$120 for members and \$195 for non-members. *Domestic Marketing* is \$135 for members and \$225 for non-members. Or, purchase the two publications together for \$215 for members and \$375 for non-members.

Economic Review of Travel in America, 2001 Edition

This review is a basic reference on the economic impact of travel, industry segment data, and the place of the U.S. in global tourism.

Members: \$85; Non-members: \$145

The Historic/Cultural Traveler, 2001 Edition

Learn about the traveler who attends cultural events and festivals and visits historic places and museums. This report provides comprehensive data and analysis, including demographics, mode of transportation and much more.

Members: \$135; Non-members: \$225

For further information, contact Travel Industry Association of America (TIA) – 1100 New York, NW, Suite 450, Washington, DC 20005-3934.

Web site: www.tia.org

Tel: (202) 408-8422

Fax: (202) 408-1255

International Ecotourism Society

Ecotourism: Principles, Practices and Policies for Sustainability, by Megan Epler Wood

Examines the fundamentals of ecotourism as an industry, a practice and a theory, including global case studies, guidelines and tips, and an up-to-date contact list of ecotourism practitioners.

Members: \$15; Non-members: \$18

Marine Ecotourism: Impacts, International Guidelines and Best Practice Case Studies by Elizabeth Halpenny

An e-book, *Marine Ecotourism* incorporates five years of research. Includes guidelines that can be adapted to a host of coastal and marine settings.

Members: \$18; Non-members: \$21

For further information, contact The International Ecotourism Society, P.O. Box 668, Burlington, VT 05402.

Web site: www.ecotourism.org/membooks

Tel: (802) 651-9818

Fax: (802) 651-9819. ★



Tops in Family Fun: In its fifth annual survey, *Family Fun* magazine readers rated America's top vacation spots and attractions. Four California attractions placed in the top ten destinations coast to coast: 2) Yosemite National Park, 5) Disneyland, 6) San Diego Zoo, and 7) Monterey Bay Aquarium.

Canadian Travel Outlook: The *Toronto Star* reported on March 12, 2002 that Canadians are back in the travel mode. A survey by Visa Canada showed that 37% of Canadians polled plan to increase their travel this year. Nineteen percent said they would travel less.

A telephone survey conducted by Ipsos-Reid on behalf of Expedia Canada Corp. found that 31% of respondents are planning to take a leisure trip to the U.S. in the first six months of 2002, with 28% seriously considering such a trip.

The Continental U.S. is the Top Destination: Opinion Research Corporation conducted a telephone survey of over 1,000 adults in November 2001 to determine vacation travel plans for 2002. Of those surveyed, 69% planned vacation travel within the continental U.S. in 2002. 15% plan to travel to Canada and 12% have their sights set on Mexico. A country outside North America was the planned destination of 19% of the survey respondents.

Gay & Lesbian Travel Market Statistics: Market research conducted by Community Marketing, Inc. in 2001 indicates that in 12 months: 98% of American gay and lesbian travelers took vacations, 56% took 3 or more vacations, and 90% plan U.S.A. vacations in the next year. 83% of gay and lesbian travelers have household incomes above the national average of \$40,000, and 79% purchase through the Internet. Based on national population figures, the American gay and lesbian community represents a \$54.1 billion travel market in the U.S., equaling an estimated 10% of the U.S. travel industry. ★

California Welcome Centers (CWC) Percent Change in Number of Visitors

	Feb-02	Feb-01	% chg.	YTD '02	YTD '01	% chg.
CWC, Anderson	2,079	1,883	10.4%	4,184	3,603	16.1%
CWC, Arcata	641	713	-10.1%	1,619	1,441	12.4%
CWC, Barstow	3,827	4,021	-4.8%	7,916	8,586	-7.8%
CWC, Los Angeles	2,784	1,070	160.2%	4,979	2,319	114.7%
CWC, Merced	2,007	2,495	-19.6%	4,242	4,613	-8.0%
CWC, Oceanside	4,781	4,524	5.7%	8,832	8,874	-0.5%
CWC, PIER 39	21,525	15,196	41.6%	37,816	26,861	40.8%
CWC, Rohnert Park	801	900	-11.0%	1,639	1,670	-1.9%
CWC, Santa Ana*	4,733	n/a	n/a	9,347	n/a	n/a
CWC, Yucca Valley**	623	n/a	n/a	1,312	n/a	n/a

California Visitor Centers Percent Change in Number of Visitors

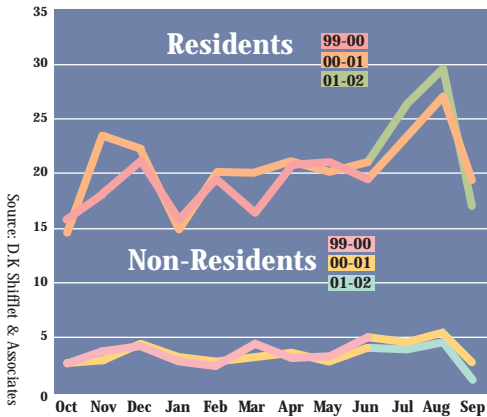
	Feb-02	Feb-01	% chg.	YTD '02	YTD '01	% chg.
Death Valley	2,295	2,723	-15.7%	3,875	6,399	-39.4%
Los Angeles	n/a	8,821	n/a	n/a	119,876	n/a
Monterey	8,961	9,745	-8.0%	16,265	19,552	-16.8%
Sacramento	not available			not available		
San Diego	2,736	2,986	-8.4%	5,568	6,384	-12.8%
San Francisco	22,447	28,306	-20.7%	37,614	51,312	-26.7%
Santa Barbara	16,388	13,578	20.7%	30,318	26,544	14.2%

* = opened November 29, 2001 ** = Official opening April 2002

Sources: Calif. Welcome Center, Anderson; Calif. Welcome Center, Arcata; Calif. Welcome Center, Barstow; Calif. Welcome Center, Beverley Center; Death Valley Chamber of Commerce; Los Angeles Convention & Visitors Bureau; Calif. Welcome Center, Merced; Monterey Peninsula Visitors & Convention Bureau; Calif. Welcome Center, Oceanside; Calif. Welcome Center, PIER 39; Calif. Welcome Center, Rohnert Park; Sacramento Convention & Visitors Bureau; San Diego Convention & Visitors Bureau; San Francisco Convention & Visitors Bureau; California Welcome Center, Santa Ana; Santa Barbara Convention & Visitors Bureau; California Welcome Center, Yucca Valley

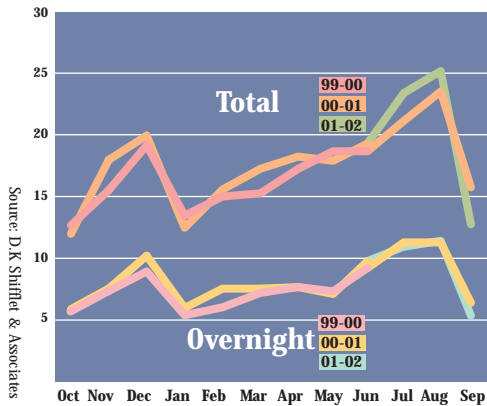
Domestic Travel To And Through California

(Millions of Person Trips)



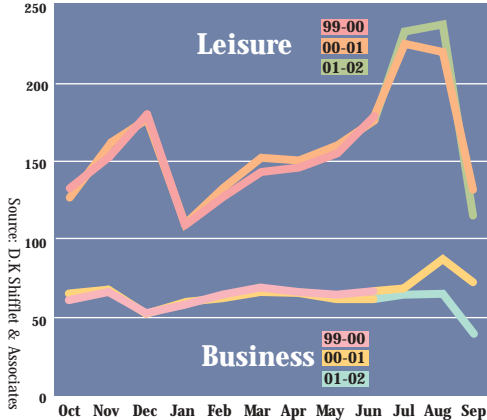
Domestic Leisure Travel To And Through California

(Millions of Person Trips)



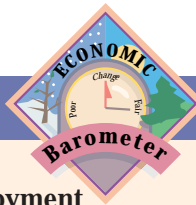
Domestic Travel To And Through the U.S.

(Millions of Person Trips)



Location	Month of February		February Year to Date	
	Occupancy	Avg Room Rate	Occupancy	Avg Room Rate
% change 2001: 2002				
United States	-4.3%	-3.8%	-5.5%	-5.2%
Pacific	-8.6%	-6.9%	-9.2%	-7.4%
California	-9.5%	-7.7%	-9.8%	-8.1%
California North	-1.2%	0.4%	-1.8%	0.0%
California North Area	3.8%	2.8%	3.8%	3.7%
California North/Central	2.3%	1.7%	7.2%	4.6%
California South/Central	1.2%	0.9%	2.5%	1.6%
Anaheim-Santa Ana	-12.2%	-4.3%	-12.7%	-4.4%
Bakersfield	-1.2%	2.1%	-2.0%	2.1%
Eureka/Crescent City	-4.3%	2.6%	-1.3%	3.3%
Fresno	1.3%	-1.0%	3.6%	0.3%
Inyo/Kings/Tulare	5.5%	1.2%	9.8%	1.5%
Los Angeles-Long Beach	-11.7%	-3.2%	-10.9%	-2.4%
Oakland	-15.3%	-9.3%	-18.1%	-10.1%
Oxnard/Ventura	2.4%	0.9%	-2.7%	1.0%
Palm Springs	-7.7%	-7.8%	-8.8%	-6.7%
Redding/Chico	7.5%	3.0%	8.2%	2.5%
Riverside-San Bernardino	0.1%	-0.8%	0.0%	-0.2%
Sacramento	-3.5%	1.6%	-2.7%	1.0%
Salinas/Monterey	-2.5%	-6.8%	-2.7%	-5.1%
San Diego	-9.2%	-0.9%	-9.7%	-2.3%
San Francisco/San Mateo	-20.9%	-17.6%	-21.7%	-17.9%
San Jose-Santa Cruz	-15.2%	-20.9%	-18.2%	-22.2%
San Luis Obispo	5.0%	6.3%	4.0%	8.2%
Santa Barbara/Santa Maria	1.0%	4.6%	-0.5%	1.5%
Santa Rosa-Petaluma	-14.4%	1.4%	-17.7%	0.1%
Stockton Area	-3.1%	-1.1%	-4.3%	-1.1%
Vallejo-Fairfield-Napa	-1.8%	-1.4%	-3.0%	-1.8%

Source: Smith Travel Research, all rights reserved. Copyright 2001.



Top Domestic Markets

Employment	% Change January 2001 to January 2002		
	January-02	January-01	% Difference
California	16,438,900	16,439,700	0.0%
Arizona	2,315,600	2,259,100	2.5%
Nevada	1,043,700	1,000,100	4.4%
Oregon	1,621,500	1,676,800	-3.3%
Texas	10,048,200	9,953,800	0.9%
Washington	2,759,600	2,821,500	-2.2%
Unemployment Rate	% Difference		
	January-02	January-01	% Difference
California	6.4%	4.7%	36.2%
Arizona	5.6%	3.6%	55.6%
Nevada	6.2%	4.7%	31.9%
Oregon	8.0%	4.9%	63.3%
Texas	5.7%	4.1%	39.0%
Washington	7.6%	5.5%	38.2%
Housing Starts (year to date)	% Difference		
	January-02	January-01	% Difference
California	10,549	14,219	-25.8%
Arizona	3,918	3,845	1.9%
Nevada	2,607	3,146	-17.1%
Oregon	1,545	1,573	-1.8%
Texas	11,570	11,804	-2.0%
Washington	2,484	3,286	-24.4%



California Tourism Order Form/Invoice

- ☐ 1. **California Fast Facts 2002**FREE
The most frequently requested facts and figures on California tourism, statewide and regional.
- ☐ 2. **California Travel Impacts by County, 1992-2000** ☐ One copy (FREE) ☐ ___ Add'l copies@ \$7.00ea.
2000 expenditures, payroll, employment and tax receipts for every California County, plus preliminary
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- ☐ 3. **Domestic Travel to California, 2000**\$7.00
Complete market profiles and visitor origins for 2000. Full report 75+pages.
- ☐ 4. **California County Travel Report, 1999 - 2000**FREE
Profiles of the average visitor to California by county, includes trend numbers for 2000.
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Traveler and trip characteristics of key overseas markets. 75+ pages.
- ☐ 6. **2000 Advertising and Fulfillment Impact Study**FREE
Survey includes results of evaluation of advertising effectiveness and survey of persons requesting state travel literature.
- ☐ 7. **Sources of Research Statistics**FREE
List of public and private contacts for obtaining airport arrivals, highway travel, state park visitation, etc.
- ☐ 8. **Local Visitor Impact Model**FREE
Steps and sample survey forms for a do-it-yourself visitor profile and impact study. 127 pages.
- ☐ 9. **2001 Annual Report**FREE
Annual report to the Legislature of the activities and programs of the Division of Tourism.
- ☐ 10. **1999 California Heritage Traveler Profile**FREE
Profile of California travelers who participate in heritage related activities. 1999 domestic travel data.
- ☐ 11. **Campers in California**FREE
Travel Patterns and Economic Impacts of Campers at both public and private campgrounds, 1999/2000.
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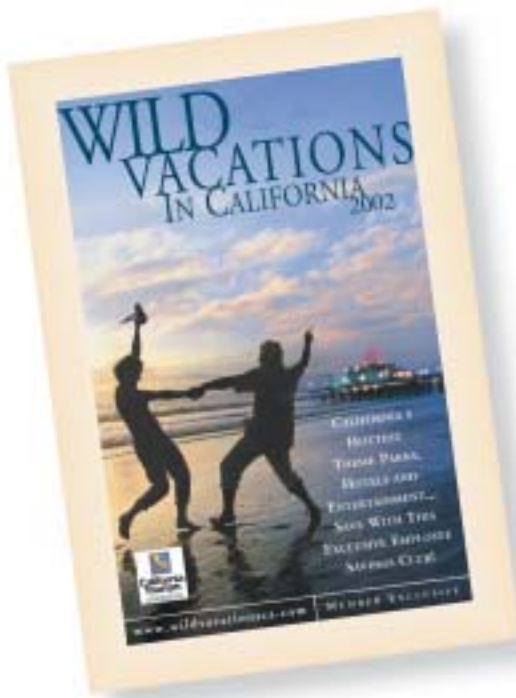
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Name

Organization

Address

Phone



Discount Program Gains Popularity

Wild Vacations in California — an employee marketing program offering travel related discounts — has reported high participation levels in 2002 from benefits directors and employees across the western United States. Demand has been strong for additional materials, and daily usage of the companion Web site has reportedly well outpaced last year.

For the 2002 program year, 1.7 million value books were distributed to approximately 16,000 companies with 100+ employees in California and six

western states. The Web site was redesigned with dozens of new features, and activity in the first three weeks of 2002 (over two million hits and 70,000 visitor sessions) has already surpassed the first six months of 2001. Also new in 2002 is the opportunity for advertisers to join the program at any time during the year through Web site participation, additional cluster mailings or e-mail blasts scheduled for prime tourism marketing periods throughout 2002.

For further participation information, contact Jeff Flowers at (800) 767-7657. ★

Dining Deals Can Equal More Meals

It's not too late for restaurants that would like to increase their mid-week business to enroll in a free program created by California Tourism and the California Restaurant Association.

Launched last August, the Dine California Web site provides four different mid-week offers to potential diners, and allows restaurants to participate by simply visiting www.dinecalifornia.org. Once there, click on the left box to view the list of participants and select "add your restaurant" at the bottom of the page. Fill out the online form and choose one of four possible offers: VIP reservations, 2-for-1 entrée, 20 percent of total check, or free appetizer and dessert. Then click "submit," and that's all there is to it!



The site, which has received more than 1 million user visits in the past four months, will feature dining deals through June 30, 2002 — so there's still time for restaurants to take advantage of the program!

For further information, contact Susan Wilcox at (916) 444-0430. ★

California Travel Market Attracts Record Numbers

California Travel Market (CTM) 2002 was a resounding success with participation up nearly 19 percent over last year. Nearly 200 tour buyers and press from 15 countries descended upon San Francisco and Napa for the sixth annual CTM, February 10-14, 2002. Featuring an "on-the-road" format, CTM began in San Francisco and continued to the Napa Valley for sightseeing tours, workshops and a one-day marketplace.

In Napa, the international and domestic tour buyers and press were joined by more than 200 California suppliers representing urban and rural destinations, hotels and resorts, attractions, sightseeing and transportation companies, state and national parks, plus shopping, dining and entertainment establishments from throughout the Golden State. One-on-one meetings with California suppliers allowed buyers and press an opportunity to learn about new destinations and products, with the hope of increasing visitation from key markets. ★

It's the Summer to See California

continued from page 1

RV enthusiasts haven't scaled back since September, vowing instead to travel more or the same amount, as confirmed in surveys by the Recreation Vehicle Industry Association (RVIA). RV rentals have soared 35 percent since September. Campground occupancy is higher. RV sales are up, spurred by low interest rates and reasonable gasoline prices. The economy is improving.

And best of all for California tourism, your state remains the all-time favorite destination among RVers. California also ranks first in RV sales and rentals.

Expanding Market

The RV market is extremely important to California's tourism industry. Reliable, lucrative and expanding are words that best describe the RV market. And it's bigger than you might think, with 30 million RV enthusiasts in the United States.

New research by the University of Michigan reveals U.S. ownership of RVs has reached record levels, with baby boomers driving the gains. Over the past four years, the number of RVs owned by 35- to 54-year-olds grew faster than all other age groups. Long-term signs point to continued market growth as more boomers enter the primary buying years for RVs.

Industry marketing efforts aimed at the baby boomer are widely credited with stimulating strong market growth. You may have seen the "Go RVing" ads on cable television and consumer magazines. To learn more about our national campaign, visit GoRVing.com. Here you can find resources available to boost your share of the RV travel market.

The RV Traveler

Today's typical RV owner is 49 years old, married, with an income of \$56,000 — higher than the median for all households. RV owners are likely to own their homes and spend their disposable income on traveling — an average of 4,500 miles and 4-5 weeks annually. Eighty-two percent of RVers take spur-of-the-moment trips year-round, supporting interests from fishing to outlet mall shopping.

RV travel is highly affordable — a real bonus in today's economy. A family of four can spend up to 70 percent less when traveling by RV, according to vacation cost-comparison studies by PKF Consulting. The money RVers save on

"The RV market is extremely important to California's tourism industry. Reliable, lucrative and expanding are words that best describe the RV market."

transportation and lodging is channeled into local businesses, grocery stores, restaurants, attractions, and gift shops in communities near campgrounds.

RV retail shows like RVIA's annual California RV Show in Pomona draw thousands of visitors and generate a sizable economic impact, as well.

International Update

Continued from page 9

England's target, and the best record in the EU. January also saw the successful introduction of the Euro, although Britain has yet to decide whether or not to join the EuroZone. The sterling is now shadowing the Euro more than the U.S. dollar.

The UK travel market has continued its recovery, and several short-haul destinations are beginning to report a shortage of accommodations for summer. Package holiday sales remain strong on the back of tour operator/travel agent promotions put in place to stimulate early bookings. Some charter holiday destinations are reportedly sold out for the summer, while wholesalers and airlines are trying to increase capacity by reinstating what was shed in the last quarter of 2001.

Recently released research by the British Government's Office for National Statistics, the General Household Survey, and the polling organization, MORI may have long term impact on the way in which consumers from the UK will be buying travel over the next decade, says Woodward. Highlights include:

- Households in the UK are getting smaller, suggesting the family market is shrinking. Single person households have grown from 14 percent in 1961 to around one third today.
- The UK population is aging. Within 10 years, there will be as many British over the age of 65 as there are under the age of 16. This data suggests that products

Best Way to See California

RVing and California are a perfect match. RVers enjoy your splendid scenery, beautiful coastline and byways, the deserts, plus the many RV campgrounds and state and national parks. No wonder California is enormously popular with snowbirds and full-time RVers, attracted by the warm weather and your delightful hospitality.

Combining the romance of the open road with the comforts of home, RVing is the best way to see California. The experience is much like a big-screen movie of America, playing on your windshield. ★

A free article entitled "Marketing to the RV Traveler" is available from RVIA.

To request a copy, call (703) 620-6003, ext. 304.

must be re-tailored for more mature tastes and values.

- Brits are becoming wealthier, with more sophisticated tastes. Fully 22 percent are considered in the top socio-economic class.
- The UK is now perceived as an early adaptor of new technology. Nearly 70 percent of households own a cell phone, while 36 percent have access to the Internet and digital television at home.

Public relations representative Phil Bloomfield reports that media coverage from December through February has seen a general return to pre-September 11 levels of coverage in the national and regional press. The New Year is traditionally the period during which editors publish supplements intended to provide inspiration for their readers for the next 12 months, and this year was no exception. Britons were encouraged to travel once more with key messages of massive savings increased choice, greater convenience and freedoms being stressed. Travel supplements split their attention between revisiting perennial favorites, and exploring niche market options for the independent, discerning traveler. With the increase in coverage has come a noticeable increase in the number of press trip inquiries, and during the reporting period, 171 press contacts were made by the London office. ★

New Design Gets Stamp of Approval



Greetings From California, a nostalgic-looking postage stamp, was launched by the U.S. Postal Service on April 4, 2002.

The colorful stamp is one of 50 different designs available on a pane of self-adhesive stamps, highlighting each state's history and points of interest.

The *Greetings From America* collection combines flora and fauna with local points of interest into collages that celebrate the unique character of each of the 50 states. Designs are reminiscent of the retro "large letter" postcards popular with tourists in the 1930s and 1940s, while the flipside of the stamps' backing paper lists each state's bird, flower, tree, capital city and date of statehood.

The release marked the first issuance of a pane of 50 stamps in 10 years. ★



May 2002

4	National Traveler Appreciation Day	Nationwide
4-12	National Tourism Week	Nationwide
9-14	Society of American Travel Writers (SATW) Western Chapter Meeting	Kelowna, British Columbia
21-23	European Incentive & Business Travel Market & Meetings Exhibition (EIBTM)	Geneva, Switzerland
25-29	Discover America International Pow Wow	New Orleans, LA

June 2002

6-9	American Society of Travel Agents (ASTA) Western Regional Conference	Las Vegas, NV
19-22	International City Tourism Conference (ICTC)	Vienna, Austria
23-26	Travel and Tourism Research Association Conference	Arlington, VA

July 2002

17	California Travel & Tourism Commission Marketing Committee Meeting	San Francisco, CA
18	California Travel & Tourism Commission Executive Committee Meeting General Commission Meeting	San Francisco, CA

August 2002

21-25	Association of Brazilian Travel Agents (ABAV)	Recife, Brazil
24-27	2002 Educational Seminar For State Travel Officials (ESTO)	Portland, OR

INSIGHTS

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California Technology, Trade and
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Lon Hatamiya, Secretary

Division of Tourism/California Travel
& Tourism Commission
**Caroline Beteta, Deputy Secretary/
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